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FISCAL IMPACT STATEMENT

LS 6428

BILL NUMBER: SB 126

NOTE PREPARED: Dec 17, 2009

BILL AMENDED:

SUBJECT: Merger of Rural Electric and Telephone Cooperatives.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill allows one or more Rural Electric Membership Corporations (REMCs) to merge or consolidate with one or more rural telephone cooperative corporations to form a surviving corporation (in the case of a merger) or a successor corporation (in the case of a consolidation). It provides that a surviving corporation or successor corporation: (1) is considered to be both an REMC and a telephone cooperative corporation; and (2) has all the rights, powers, privileges, immunities, and exemptions of an REMC and a telephone cooperative corporation.

It sets forth provisions concerning the following with respect to a surviving corporation or successor corporation: (1) Articles of incorporation and bylaws. (2) Selection of the board of directors. (3) General and enumerated powers of the board and the surviving corporation or successor corporation. (4) Members and meetings of members. (5) Obligations and liabilities of the surviving corporation or successor corporation. (6) The acquisition and disposition of property. (7) Articles of dissolution. (8) Charges for services rendered. (9) The jurisdiction of the Indiana Utility Regulatory Commission (IURC).

Effective Date: July 1, 2010.

Explanation of State Expenditures: The merger of an REMC and a telephone cooperative is to be filed with the Secretary of State (SOS). The SOS should be able to carry out this requirement within its existing level of resources.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: SOS.

Local Agencies Affected:

Information Sources:

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